At the meeting of the Public Service Commission of the State of Montana held at the Commission's Offices in Helena, Montana, on Tuesday, September 19, 2006, the following members were present:

Greg Jergeson, Chairman
Brad Molnar, Vice Chairman
Doug Mood, Commissioner
Robert H. Raney, Commissioner
Thomas J. Schneider, Commissioner

APPEARANCE Dave Burchett, Utility Division

(369) In the matter of Phantom Hills Water Company - D2004.4.61 - on August 25, 2006, Phantom Hills Water Company, Missoula, MT filed an application and motion for a one-year extension on its initial rates and charges. Phantom Hills still lacks sufficient information to file for final rates due to the fact that the development that would utilize the water system has not reached significant capacity and key information for final rates is unavailable. Phantom Hills anticipates filing for final rates next year.

Commissioner Mood moved to approve Phantom Hills Water Company's extension on its rates. Commissioner Schneider seconded the motion, which passed unanimously.

APPEARANCE

Wayne Budt, Administrator Transportation & Centralized Services Division

(370) In the matter of T-06.23.ST - on June 6, 2006, Mark L. Foos dba City Cab (through Sheila Foos as administrator of the estate of Mark L. Foos), Billings, Montana filed an application to transfer PSC No. 9434 to Across Montana Cartages, LLC dba Billings Van and Shuttle Service, Billings, Montana. The application was noticed to the public on August 10, 2006 and no protests were received.

Commissioner Molnar moved to approve the transfer as applied for. Commissioner Mood seconded the motion, which passed unanimously.

(371) In the matter of TN2318 - Two Shews, Inc. dba Billings Yellow Cab, Billings, Montana requests permission to lease PSC No. 139 to Billings Yellow Cab, LLC, Billings, Montana for a six month period September 19, 2006 to March 19, 2007.

Commissioner Molnar moved to approve the lease as applied for. Commissioner Schneider seconded the motion, which passed unanimously.

(372) In the matter of TN2319 - Glacier Disposal, Inc. dba Wee Haul, Kalispell, Montana requests permission to lease PSC No. 2188 to Evergreen Disposal, Inc., Kalispell, Montana for a six month period, September 19, 2006 to March 19, 2007.

Commissioner Schneider moved to approve the lease as applied for. Commissioner Raney seconded the motion, which passed unanimously.

(373) In the matter of TN2320 - Charles Kelly dba Frank's Service (by Marian Kelly as personal representative of the estate of Charles Kelly), Kalispell, Montana request permission to lease PSC No. 2636 to Evergreen Disposal, Inc., Kalispell, Montana for a period of six months September 19, 2006 to March 19, 2007.

Commissioner Schneider moved to approve lease as applied for. Commissioner Mood seconded the motion, which passed unanimously.

(374) In the matter of TN2321 - Charles Kelly dba Kelly's Haul Away (by Marian Kelly as personal representative), Kalispell, Montana requested permission to lease PSC No. 8976 to Evergreen Disposal, Inc., Kalispell, Montana for a period of six months September 19, 2006 to March 19, 2007.

Commissioner Schneider moved to approve the lease as applied for. Commissioner Raney seconded the motion, which passed unanimously.

(375) In the matter of approval of Commission Minutes:

Commissioner Mood moved to approve the Commission Minutes for the week of September 11, 2006. Commissioner Molnar seconded the motion, which passed unanimously.

APPEARANCE Gary Duncan, Utility Division

(376) In the matter of the Commission's discussion of D2006.6.97, D2006.7.105 - Qwest Corporation; Industrial Communications and Electronics Inc.; Airpage Acquisition, LLC.:

Commissioner Schneider moved to approve the Interconnection Agreements in D2006.6.97 and D2006.7.105. Commissioner Mood seconded the motion, which passed unanimously.

APPEARANCE Robin McHugh, Legal Division

(377) In the matter of the Commission's discussion of D2006.8.121 - IDT America Corp:

Commissioner Molnar moved to deny the petition for an Interim Order in D2006.8.121. Commissioner Raney seconded the motion, which passed unanimously.

APPEARANCE Martin Jacobson, Legal Division

(378) In the matter of the Commission's discussion of N2006.8.118 - Montana Eligible Telecommunications Carriers (ETCs) - Annual Certification of Montana ETCs for Receipt of

2007 Federal Universal Service Funds:

Commissioner Schneider moved to approve the draft letters subject to minor editing for delivery to the FCC and USAC. Commissioner Jergeson seconded the motion, which passed unanimously.

APPEARANCE Dave Burchett, Utility Division

(379) In the matter of the Commission's discussion of D2006.1.2 - MDU Universal System Benefits Programs:

Commissioner Schneider moved that the Commission issue an order to MDU regarding natural gas USB and the order include direction for MDU to file a new natural gas tariffs to ensure statutory compliance, and the order include alternative tariff mechanisms similar to those used by other natural gas utilities, i.e. volumetric. Commissioner Raney seconded the motion, which passed 4 to 1. Commissioner Molnar voted no.

Commissioner Raney moved to direct staff to send electric and gas reports to the service list and advise the recipients they have an opportunity to file a complaint about the allocations. Commissioner Schneider seconded the motion, which passed 5-0.

Commissioner Raney moved the Commission direct staff to present options to the Commission for cleaning up the natural gas USB statutes. Commissioner Raney withdrew his motion.

APPEARANCE Robin McHugh, Legal Division

(380) In the matter of the Commission's discussion of D2006.9.133 (MCC) and 134 (PSC) - annual issuance of orders approving the recovery in rates of fees (taxes) paid by certain regulated companies to fund the MCC and the PSC:

Commission Raney moved to approve the orders in D2006.9.133 and D2006.9.134 approving rates. Commissioner Mood seconded the motion, which passed unanimously.

There being no	further business	to come before	the Commission	the meeting	was adjourned.

BRAD MOLNAR, Vice Chairman

DOUG MOOD, Commissioner

ROBERT H. RANEY, Commissioner

THOMAS J. SCHNEIDER, Commissioner

ATTEST:

Connie Jones Commission Secretary

(SEAL)